

BRA

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CBD PRELIMINARY SPACE USE AND

PRIME REAL ESTATE FACTORS

Test Block #282

CBD

B65R.C/Pre

C. #

Draft for Staff Review

CENTRAL BUSINESS DISTRICT

TEST BLOCK #282

PRELIMINARY SPACE USE SURVEY

FINDINGS INTEGRATED WITH PRIME

REAL ESTATE FACTORS

Draft for Staff Review

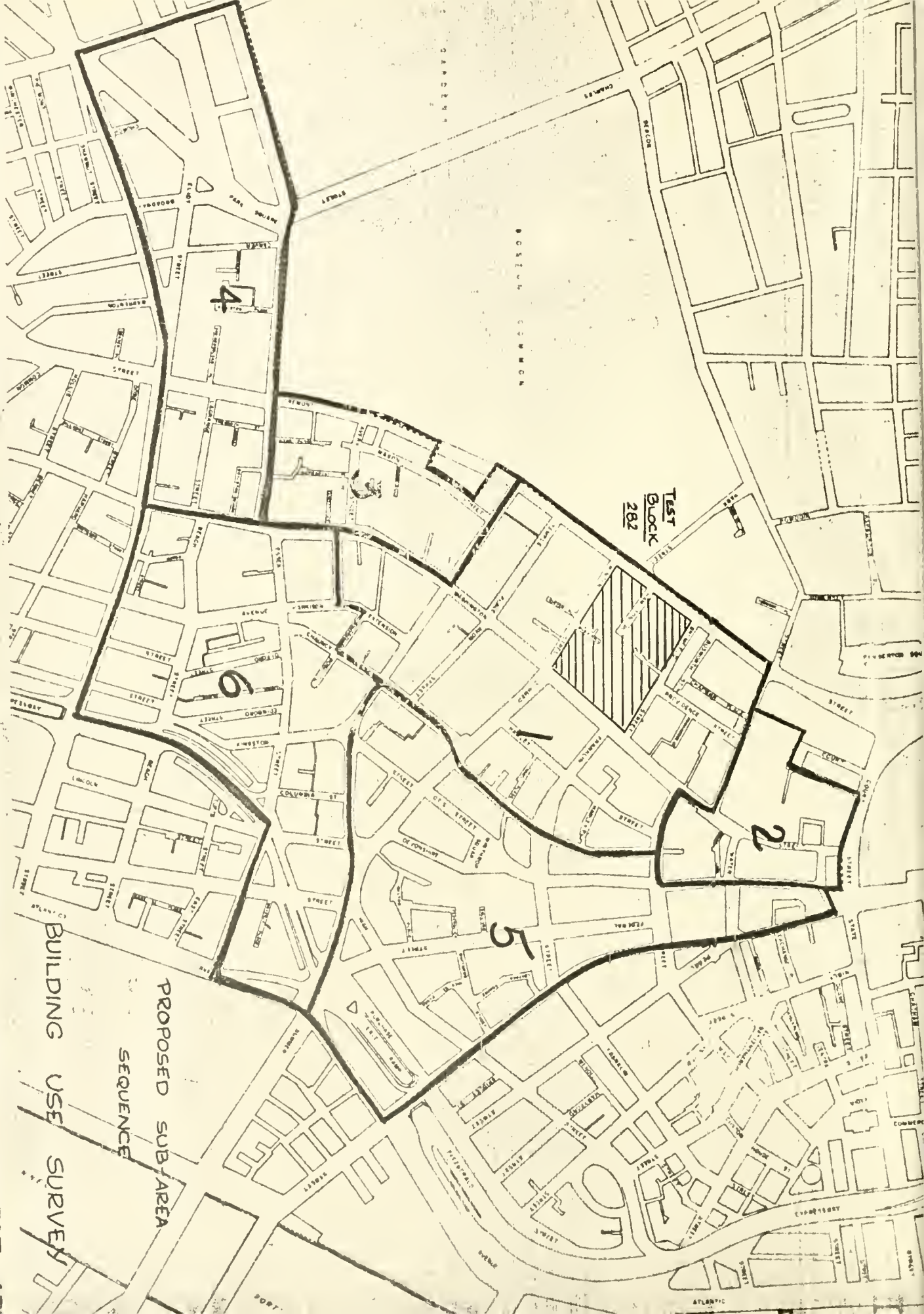
This report is one of a series being prepared by the Boston Redevelopment Authority staff to explore and summarize various elements of the CBD planning work during the Survey and Planning period. It is to be used for analysis by the BRA, CCBD, Victor Gruen Associates and other CBD consultants as designated by the BRA. The report is subject to additions, alterations and deletions during the planning process. It is to be used during the planning of the CBD project as a synthesis of the known facts and planning ideas to date, and is not as a policy statement.





SEQUENCE

PROPOSED SUB AREA



SCOPE & PURPOSE

This report is focused geographically on the Test Block #282. By integrating even the preliminary findings of the land use survey with the primary real estate factors of assessed valuation, taxes, ownership patterns and use resulting reports should provide staff members and consultants with sufficient concise data to formulate guide lines to determine future studies on economic analysis, projections, economic linkages, building condition surveys and eventual disposition actions to insure the highest potential use-economic value and tax revenue.

GENERAL DESCRIPTION

Block #282, comprised of 28 parcels with a total of 26 buildings and 305 establishments is bounded by Washington, Winter, Tremont and Bromfield Streets, provides a unique example of vertical-horizontal mix use of multi-purpose, multi-use and single purpose units. It represents enterprises and users in categories of retail trade, office, wholesale trade, service trade, light manufacturing and residential. It enjoys close physical relationship to historical and cultural sites. Building construction dates from mid 1800's to the most recent new construction in 1956 of the Merchants Cooperative Bank on Tremont Street.

Within the block there are:

- 3 Owner-total occupied parcels
- 3 Owner occupied & leased parcels
- 20 Totally leased parcels
- 1 Single purpose building
- 25 Multi-purpose buildings

ASSESSED VALUATION

The comparison of assessed valuations and increased taxes in this block reflect in part the aspect of decline in retail sales, the continuing pressure of the lowering of assessments for tax purposes. The increased tax payments added to other cost increases contribute heavily to the profit squeeze experienced by owners and tenants.

	<u>Total Assessment</u>	<u>Land</u>	<u>Building</u>		<u>Tax Revenue</u>
4	\$18,269,700	\$13,439,700	\$4,830,000	(\$69.80)	\$1,275,225 ('54)
2	9,994,000	6,919,500	3,074,500	(101.20)	\$1,011,393 ('62)

LAND USE BY ENTERPRISE

Of the 871,885 square feet of occupied floor space in the block, 762,740 sq. ft., or 87.5% is utilized by commercial enterprises - service, retail, or wholesale trade. Of this commercial space, 542,200 sq. ft., or 87.5%, is retail trade, representing 62.2% of all the occupied space in the block. The other commercial enterprises, service and wholesale trade, occupy 18.5% and 6.8% of the floor space. The remaining space is largely industrial, 8.7%, with only 3.6% in institutional space.

VACANCY

Due to the spiralling tax rates owners and long term lessors were unwilling and/or unable to invest in property improvements to hold tenants or to attract new tenants in office rental space. As a result high vacancy rates have persisted within this area. This is not applicable to the two large retail firms located in the block. Current vacancy rates determined in the land survey report indicate:

8% vacancy rate for entire block of which
 50,000 sq. ft. of vacancy is reported within 4 Buildings
 30,000 sq. ft. of vacancy is reported within 8 Buildings

Significant is that the four structures reporting 62.5% of the total 8% vacancy are the high office rental income properties. There has been a constantly high vacancy rate in these buildings. There are some limited rehabilitation efforts going on in these buildings due to new ownership in an effort to attract new tenants.

RENTAL INCOME

Rental income figures used are average without regard to service variations and are based on general information volunteered by owners and tenants without regard to negotiation factors. Of necessity the rental figures are exclusive of the two major retail properties (Gilchrist's and Chandlers) whose rental formula is based on sales volume ratio to sales producing space. Not available at this time are these figures and owner-occupied buildings. The figures are based on gross square footage and not the more closely defined "rentable space sq. ft.".

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Ground floor rentals for retail average \$6.00 sq. ft. with exception of the Woolworth rental which is a long term lease at a reduced rate. The Jewelers Building has always commanded a prime rate of \$4.00 a square foot irrespective of size and/or use while its neighbor Washington Bldg. commands top rate of \$3.00 sq. ft. Attached Table X shows the breakdown of gross rentable space, current rented and vacant gross rentable space, actual rental revenue (minus Gilchrist and Chandler areas) and potential income if 100% rented, based on the average figures given.

REAL ESTATE ACTIVITY 1955-1961

All buildings leased by Gilchrist's (at 100% Corner), in whole or in part, have shown no changes of ownership during this period. Loew's Theatre properties (in part leased by Gilchrist's) also show no change. The remaining properties which have experienced no change of ownership belong to a bank, a furrier and a large realtor, each property occupied in whole or in part by the owner. A non-resident New York insurance company owns the final building in this category. This latter 8-story building is vacant on the top 6 floors. There appears to be no active interest on the part of the owner in the present use or development of the property.

Certain properties have not changed ownership entirely but have experienced reorganizations in the controlling trusts. These include the several buildings leased entirely by Conrad-Chandlers and owned by the Real Estate Investment Trust; a predominantly vacant, 4-story once residential building, owned by the Walmar Trust; and a 4-story building, sub-leased by E. B. Horn (jeweler) from Gilchrist's and owned by the Woolsey Trust.

Active changes of ownership have occurred in the following properties:

- a. several (some formerly residential buildings), averaging six stories and a ground floor area of 2500 sq. ft.; located on Tremont-Winter; containing mixed uses at street level and office uses above; various owners at present.

One owner interviewed volunteered that he had recently refused a purchase proposal of \$250,000. He would consider a minimum offer of \$300,000. The property has had no major rehabilitation efforts.

b. The new Studio and Phillips Building purchased by First Realty in 1961 contains two adjoining office buildings, 6 stories, with total ground floor area of 40,000 square feet; located on Tremont Street; containing retail uses at street level and office uses above. First Realty has done some rehabilitation and is now offering office rental at "under \$3.00".

c. In October, 1962, John S. Druker & Son purchased Jewelers Building and the Washington Building, two adjoining office buildings, 10 and 8 stories with total ground floor area of 18,000 sq. ft.; located on Washington Street; containing retail uses at street level and office uses above; and a 4-story, once a residential, presently an office building predominantly vacant. It controls the only servicing access to the other two buildings.

d. One 4-story retail building near the 100% Corner; owned by Roxbury Operating Trust.

A summary of real estate transaction activities on the following page.

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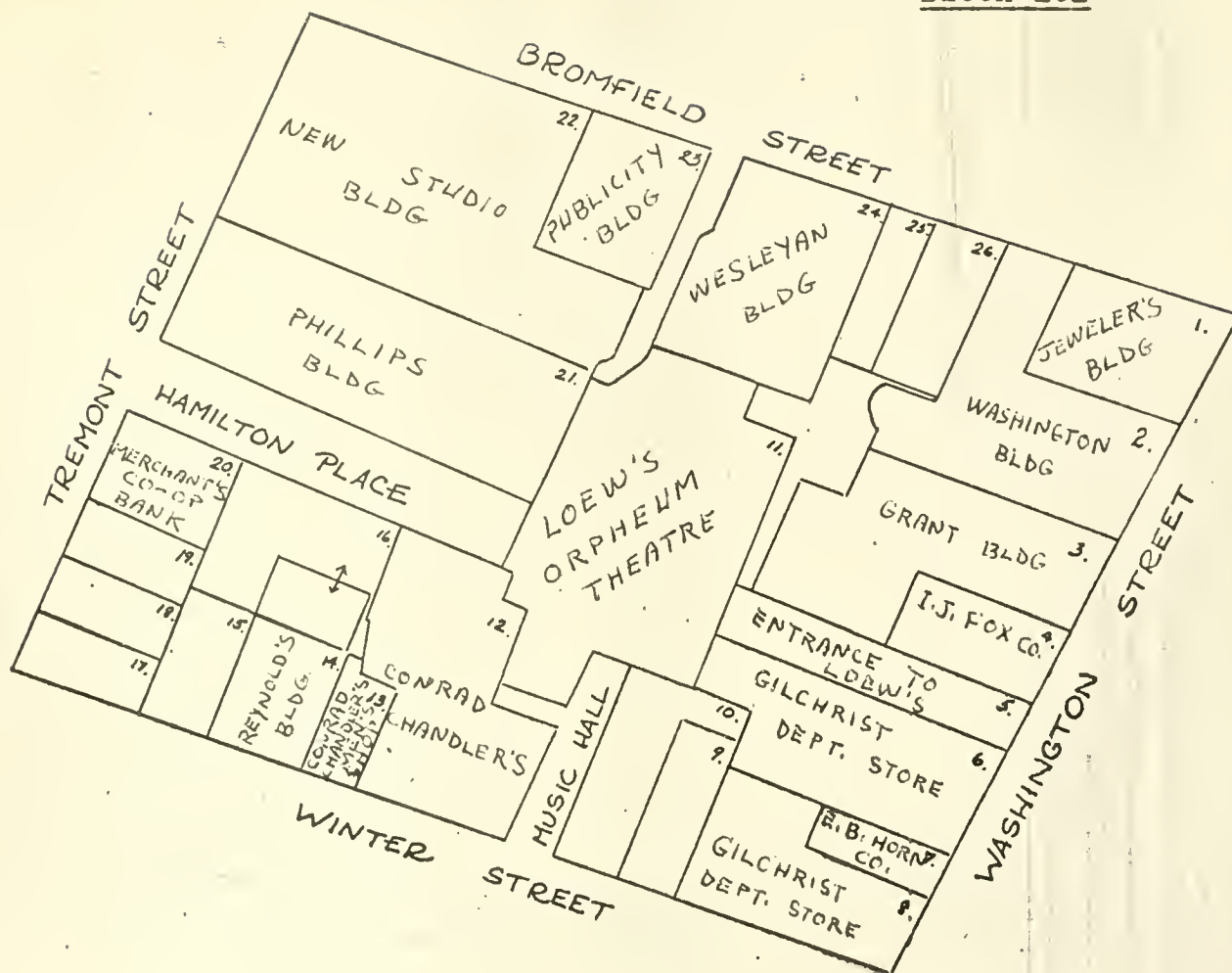
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REAL ESTATE ACTIVITY SUMMARY 1955-1962

<u>DATE</u>	<u>LOCATION</u>	<u>BLDG. DESCRIPTION</u>	<u>SALE PRICE</u>	<u>ASSESSED VALUATION</u>
2/56	129 Tremont 47-49 Winter	Mercantile 6 s/brick	\$95,000 (SM 212,117)	\$320,000
4/57	11-21 Bromfield	Mercantile	\$285,000	\$300,000
5/58	104-116 Tremont	Mercantile 6 s/br.	\$1,300,000	\$1,450,000
6/61	130 Tremont 52-60 Winter	Mercantile 8 s/br.	\$150,000	\$260,000
9/61	129 Tremont 47-49 Winter	Mercantile 6 s/br.	\$46,000 (SM 181,195)	\$240,000
7/61	104-116 Tremont	Mercantile 6 s/br.	NS	\$711,000
	48-62 Bromfield	(Mtg. \$350,000-\$175,000) (\$175,000-\$800,000)		
17/62	48-50 Winter	Mercantile 4 s/br.	\$125,000	\$190,000
21/62	35-41 Winter	Mercantile 8 s/br.	\$57,000 (SM 133,709)	\$275,000
3/62	395-403 Washington	Mercantile 5 s	\$455,000 (SM N.E. Mut. Life)	\$1,400,000
12/24/62	371-387 Washington	Wash Bldg. 8 s/br.	\$991,500	
	12-18, 28-30 Bromfield	Jewelers Bldg. 10 s/br.		\$1,228,000





The building names shown above are derived from several sources: Sanborn Maps, dominant enterprise (with prominently displayed signs), or identification on the building facade.

Identification by enterprise does not necessarily imply total building occupancy.

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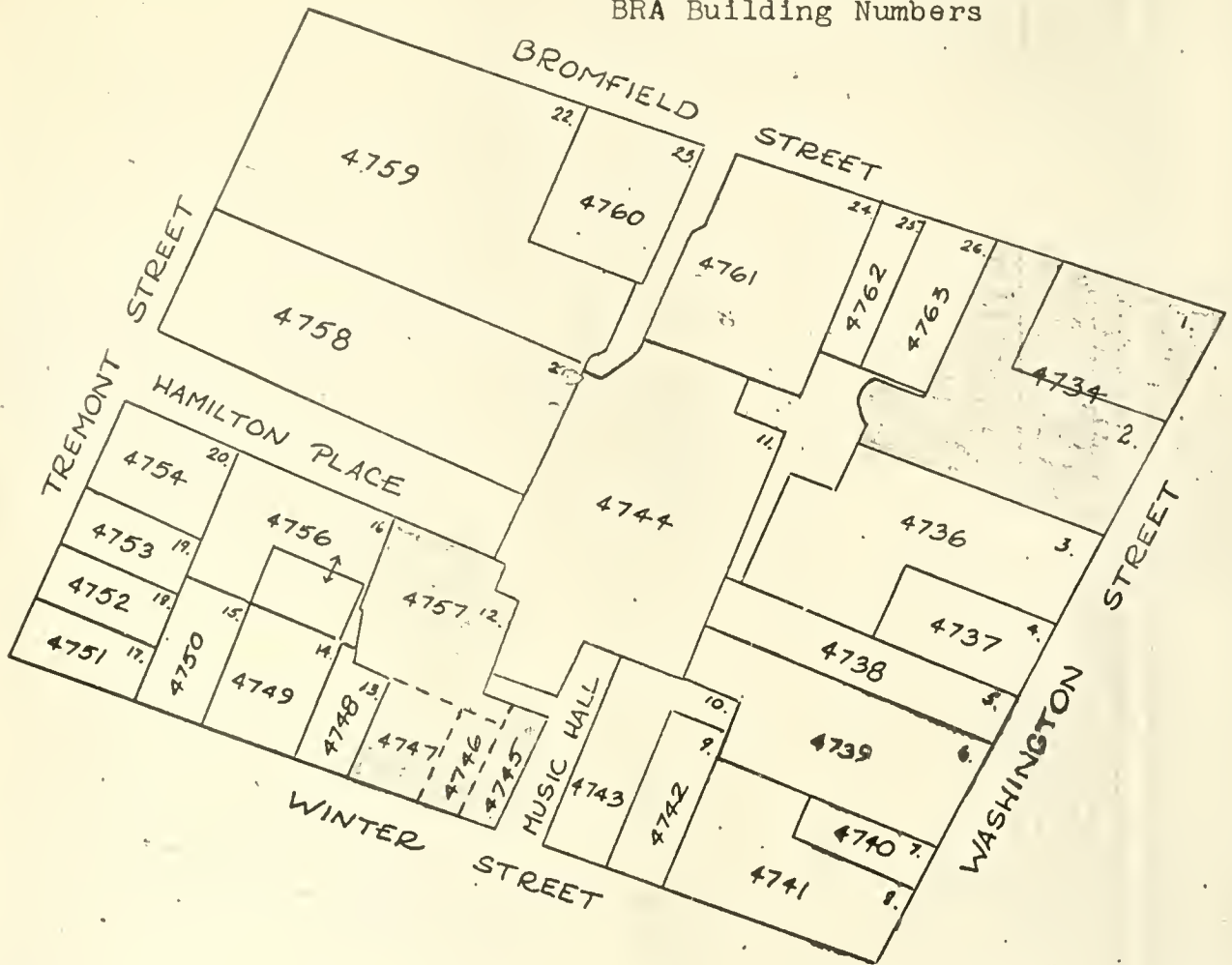
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KEY MAP, Block 282
Assessor's Parcel Numbers
BRA Building Numbers

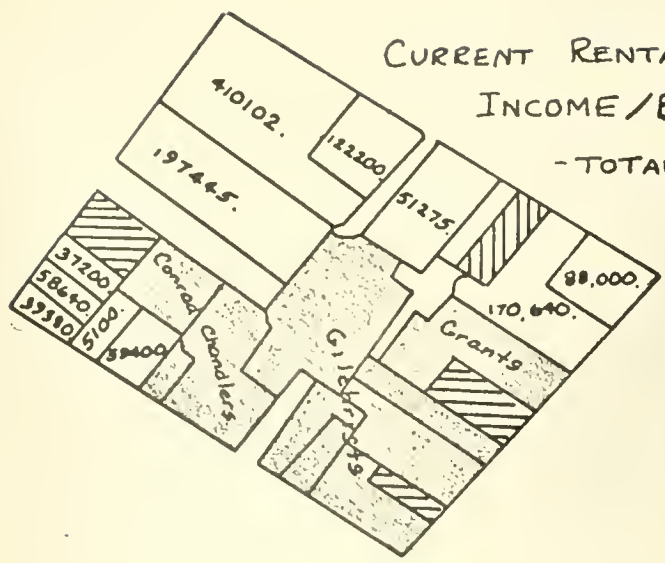


Relationship of Buildings to Parcels

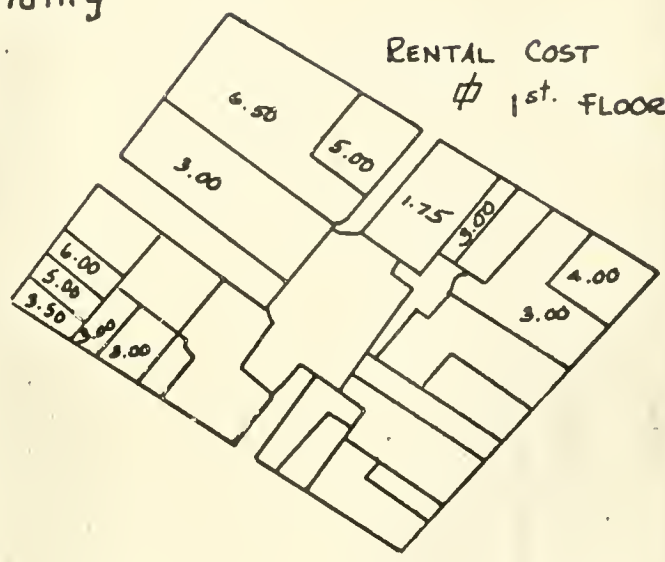
Block 282 is comprised of 28 parcels and contains a total of 26 buildings as defined by this survey. The following summarizes the building to parcel relationships for the block. Exceptions to the usual "one to one" situation are noted on the map above.

<u>Frequency</u>	<u>Relationship</u> Bldg. - Parcel	<u>Actual Numbers</u> Bldg. - Parcel	
23 cases of	1:1	23	23
1 case of	1:4	1	4
1 case of	2:1	2	1
	Total	26	28

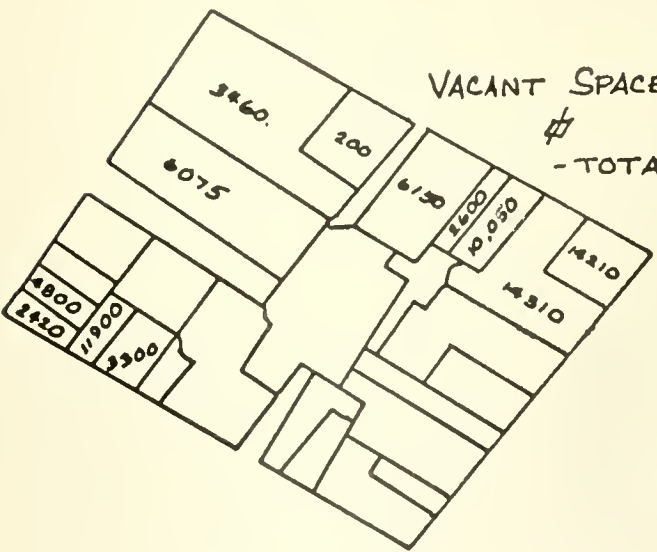
CURRENT RENTAL
INCOME/Building
- TOTAL -



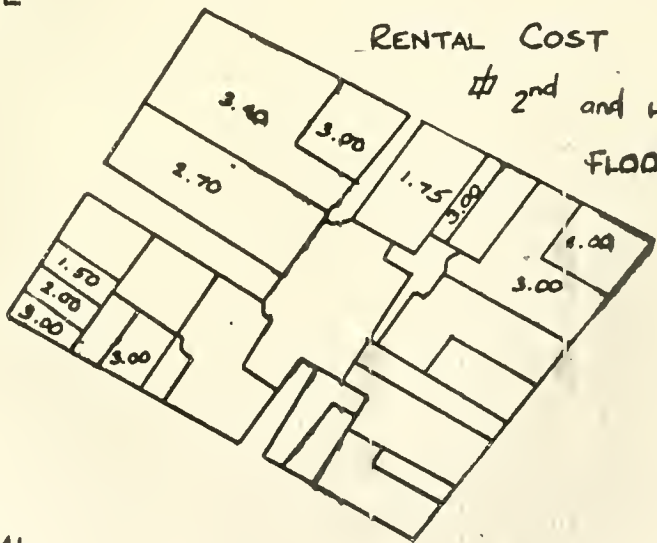
RENTAL COST
1st. FLOOR



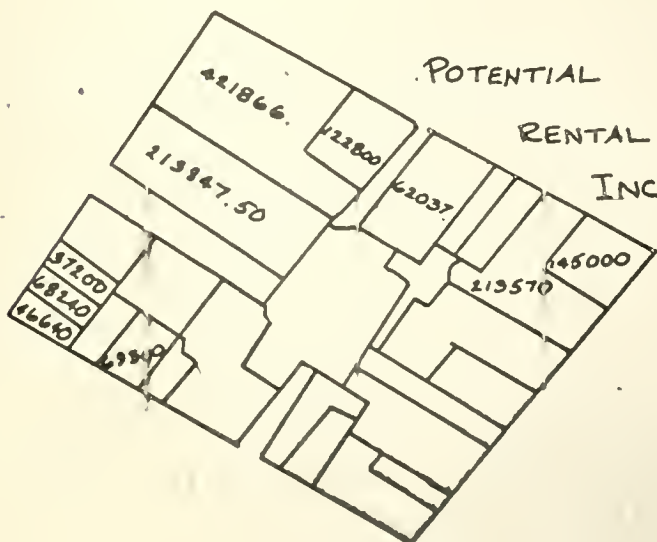
VACANT SPACE
- TOTAL -





RENTAL COST
2nd and up
FLOORS



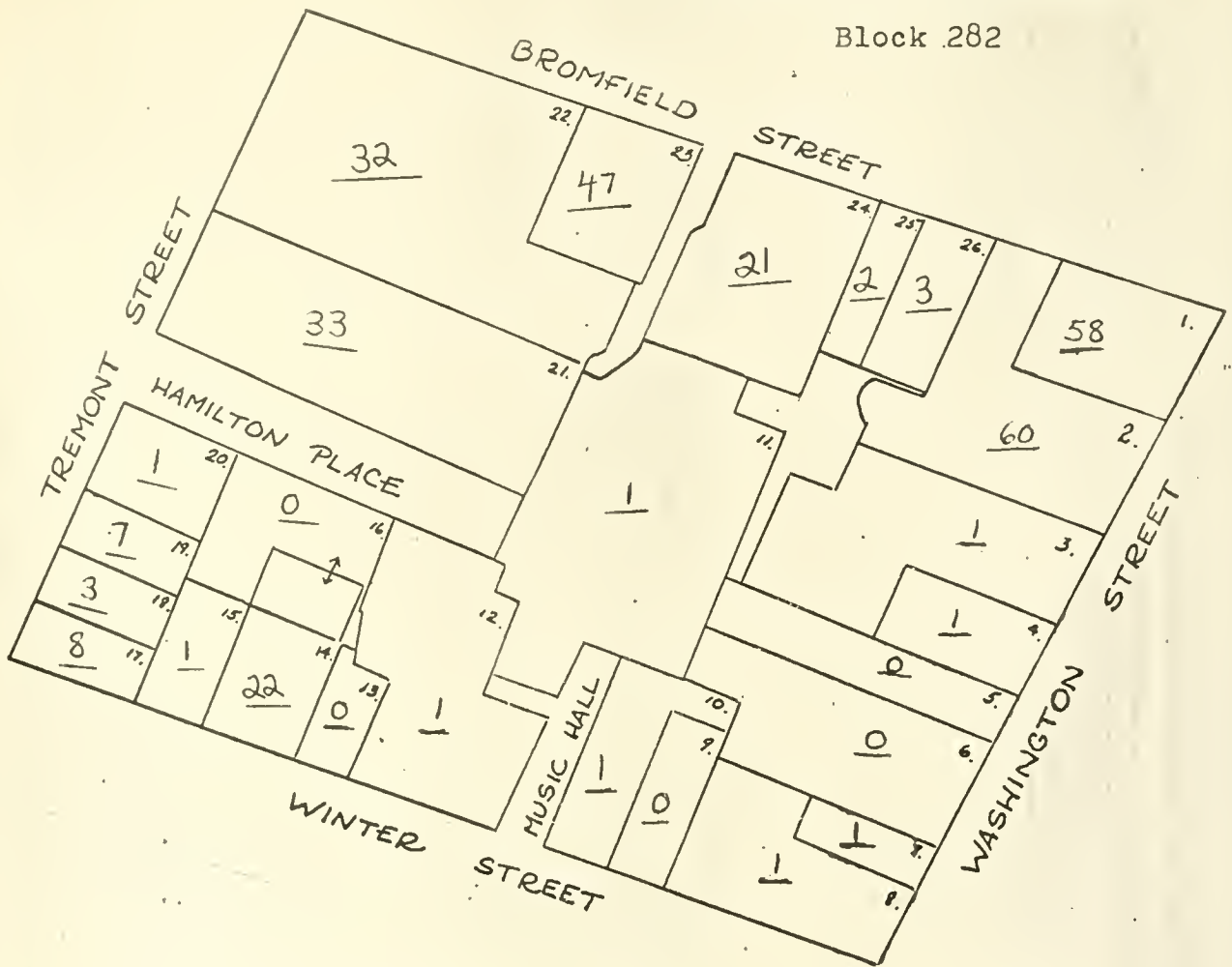
POTENTIAL
RENTAL
INCOME



 OWNER OCCUPIED
 UNOBTAINABLE

NUMBER OF ESTABLISHMENTS

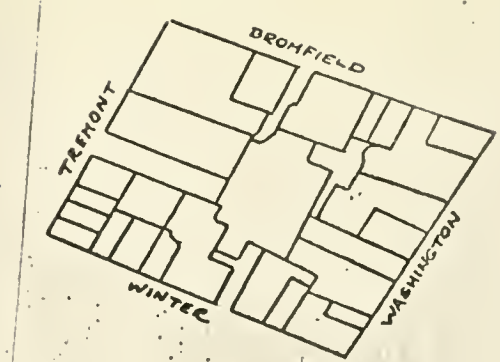
Block 282



The test block contains a total of 305 establishments. The number of establishments per building is recorded on the map above. A total of 7 firms have "split-locations" in two or more buildings. For example, Gilchrist's Department Store occupies space in 6 structures. For each such case the establishment is counted once and assigned on the basis of dominant building location.

The distribution of establishments by basic enterprise is as follows:

	#	%
1. Service Trade	122	40.0
2. Retail Trade	64	21.0
3. Wholesale Trade	60	19.7
4. Light Industry	50	16.4
5. Heavy Industry	1	.3



	<u>#</u>	<u>%</u>
6. Institutions	7	2.3
7. Utilities	-0-	-0-
8. Residing	1	.3
Total	<u>305</u>	<u>100%</u>

BOSTON PUBLIC LIBRARY



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865 R.C/Pre
Preliminary Space Use and Prime

Real Estate Factors. Test Block C.2

#282. Central Business District. 82.

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